

CONTRACT FOR LEASE AT WARRENTON-FAUQUIER AIRPORT

This REVISED LEASE (hereinafter "Lease") effective as of the 30th day of April, 2007, by and between the **COUNTY OF FAUQUIER**, a political subdivision of the Commonwealth of Virginia, (hereinafter "County") and **ESSAR AVIATION, LLC**, a private for profit limited liability corporation organized and existing under and by virtue of the laws of the State of Virginia (hereinafter "Tenant");

WITNESSETH:

WHEREAS, the County owns and controls the Warrenton-Fauquier Airport (hereinafter "Airport") in the County of Fauquier, Commonwealth of Virginia; and

WHEREAS, the Board and Tenant have mutually agreed that Tenant shall no longer perform FBO Services at the airport;

NOW, THEREFORE, the parties hereto, for and in consideration of the premises and of the terms, conditions, and covenants contained in this Contract, hereby agree as follows:

ARTICLE I. PERIOD OF THE CONTRACT

Section 1.1 TERM

The term of this Contract shall be for two years and nine months and shall commence on the 30th day of April, 2007, and continuing through 11:59 p.m. the 31st day of December 2009, (hereinafter "Termination Date"), subject to such earlier termination as provided herein.

Section 1.2 EXPIRATION OF TERM

The parties agree that this contract shall expire at 11:59 p.m. of the Termination Date.

ARTICLE II. LEASED PREMISES AND COMMON AREAS

Section 2.1 LEASED PREMISES

The County hereby demises and leases to Tenant and Tenant hereby accepts and leases from the County, subject to all terms and conditions herein, that portion of the Airport facilities as identified and shown on the attached "Figure 1" showing the leased maintenance area, attached "Figure 2" showing two leased offices, one leased storage area, and one leased classroom "Figure 3," showing 4 leased tie-downs more particularly described as leased spaces, in "as is" condition. The Tenant has the right of ingress and egress for both vehicles and aircraft, for the conduct of Tenant's services under this Contract. The leased spaces herein are collectively referred to as the "Leased Premises."

Section 2.2 COMMON AREAS

All other portions of the Airport excluding the Leased Premises, which are open to all Airport users and necessary for the use of the Airport as an airport, more particularly described as public areas, herein are collectively referred to as the "Common Areas." The areas comprising the Common Areas under this Contract shall remain public areas throughout the entire term of this Contract and shall never become part of the Leased Premises.

Section 2.3 PREMISES IN GENERAL

It is expressly understood and agreed between the Parties that the Leased Premises does not include the Common Areas. The use of the Common Areas shall be non-exclusive and in common with all other Airport users and County pursuant to the rules, regulations and minimum standards of the Airport currently in place and those adopted in the future, along with the rules and regulations of the Federal Aviation Administration (FAA) as set forth in Section 308 of the Federal Aviation Act of 1958 or any other applicable section of the Act or FAA rules.

ARTICLE III. RIGHTS AND OBLIGATIONS OF THE TENANT

Section 3.1 RIGHTS GRANTED

1. **Repair and Maintenance of Based and Itinerant Aircraft.** Tenant may, at its option, maintain and operate a repair facility and sell aircraft replacement parts. Tenant acknowledges that no right or privilege has been granted which would operate to prevent any person, firm or corporation operating aircraft at the Airport from performing service on its own aircraft, with its own regular employees, including maintenance and repair services. If Tenant opts to provide repair and maintenance services it shall provide:

A. Equipment necessary to perform maintenance service on aircraft and powerplants in accordance with FAA and FCC regulations and manufacturers' specifications for piston and jet general aviation aircraft.

B. Equipment or other contracts necessary to perform or have performed maintenance services on avionics and/or flight instruments, in accordance with applicable FAA regulations and manufacturers' specifications.

2. **Aircraft Rental and Flight Training.** Tenant may engage in the lease and distribution of aircraft, aircraft parts, accessories and supplies, avionic and engine parts, instruments, accessories and related items. Tenant may offer flight training and aircraft rental services and may operate a flight school and ground school. The County reserves the right to terminate the lease as to the property shown on Figure 2 upon sixty days written notice to the Tenant in accordance with the provisions of Section 13.2(1). Four tie downs as shown on Figure 3 are to be provided for the term of this lease. Any additional available tie downs shall be provided at the market rate at the time Tenant leases the tie down.

Should Tenant wish to offer any other commercial aeronautical service or engage in any other commercial activity, Tenant must make a written application to the County and provide the County with a business plan. The County reserves the right to reject any business plan or plans for activities that are incomplete, under-funded or under-insured and to prohibit those activities until the plans are approved by the County. Final approval of any new activity shall be in writing and as an amendment to this Contract. County also reserves the right to shut down any activities that deviate in a substantial and material way from the plan approved by the County.

3. Option for Future Maintenance Facility. County with a separate agreement may authorize the Tenant to build up to a 25,000 square foot aircraft maintenance facility. The location, design and method of construction shall be approved by the County. The terms of the lease shall be similar to the terms for the land lease for the T-Hangar. In the event that Tenant has not exercised this option during the term of the lease but has demonstrated in the sole discretion of the County Administrator that it has made substantial progress towards the execution of the option, this option shall extend for a period of one year beyond the expiration of this lease.

Section 3.2 NON-EXCLUSIVE RIGHTS

The right to establish, conduct and operate a flight school and maintenance service at the Airport and the privilege as granted under this Contract are non-exclusive. The County reserves the right, at its sole discretion, to grant others certain rights and privileges with respect to the Airport which are identical in part or in whole to those granted the Tenant.

1. Obligation to Follow Applicable Rules and Regulations. Tenant shall comply with all federal, state and local laws, requests for assurances, rules and regulations, including those rules and regulations promulgated by County, which may apply, now or in the future, to the conduct of

any business or activity in the County or at the Airport that is either granted or required under this Contract. Tenant shall keep in effect all necessary and/or required licenses or permits and post them in a prominent place. Tenant shall follow and enforce any present County adopted Airport Rules and Regulations and shall follow and enforce any new or modified Airport Rules and Regulations during the term of this Contract.

2. General Contract Terms and Tenant's Affirmative Duty. Tenant shall not commit waste or abuse the Leased Premises and shall keep said area in good condition and working order and shall surrender same upon the termination of this Contract less normal wear and tear. Tenant shall be liable for such damage caused to the Common Areas by itself or its employees. In the case of an emergency, such as a plane crash or fuel spill, Tenant must take appropriate action and shall take affirmative and active steps to provide assistance to those in need, to mitigate damage and to act on any emergency plan, such as the emergency fuel spill response plan. Tenant's obligation to take appropriate action with regard to the Common Areas and emergency situations shall apply equally to any corporate officer, director or employee of Tenant.

3. Subleasing. Tenant shall not sublet any portion of the Airport or the Leased Premises without the County's express written approval. This section shall not prohibit assignment as authorized pursuant to Section 3.5 "Assignment" herein.

4. Tie-down Service and Rental. Except with respect to the four tie-downs leased herein, all other tie-down facilities shall be maintained and leased by the County. The County will solely provide all tie-down equipment and will rent all such service and equipment directly to users of the Airport. The County will also directly collect all rents from its tie-down rentals.

If the Tenant offers flight training services it shall be entitled to four tie-down spaces at the location shown on Figure 3.

5. **Signs.** During the term of this Contract, Tenant shall have the right, at its expense, to place in or on the Leased Premises a sign or signs identifying Tenant. Said sign or signs shall be of a size, shape and design, and at a location or locations, approved by the County and shall be in conformance with all applicable ordinances of the County. If the sign is in conformance with County ordinances, the County's general approval shall not be withheld unreasonably. Notwithstanding any other provision of this Contract, said sign(s) shall remain the property of Tenant. Tenant shall remove, at its expense, all lettering, signs and placards so erected on the Leased Premises at the expiration of the term of this Contract. County shall erect, at its expense, an appropriate sign identifying the Airport property as a County facility.

6. **Use of Airport Facilities.** Tenant shall be entitled, in common with others so authorized, to use of the Common Areas and those areas that are of a public nature which are now or may hereafter be connected with or appurtenant to the Airport, including the use of landing areas, runways, taxiways, navigational aids, terminal facilities and aircraft parking areas as designated by the County.

7. **Aerial Approaches.** The Tenant shall follow the aerial approaches mandated by the County. The County reserves the right, by any means necessary, to protect the aerial approaches of the Airport against obstruction, to prevent hazard to aircraft or the community and secure the usefulness and operability of the Airport.

8. **Maintenance of Leased Premises.** The Tenant shall, notwithstanding any other provision in this Contract, maintain all areas of the Airport leased from the County. Maintenance shall include all repairs including those of a capital nature. For purposes of this section "capital nature" shall include hangar doors/locks and security systems. The County

reserves the right to have the Manager to mandate that Tenant make certain repairs in order to ensure that Tenant does not operate in unsafe or substandard conditions.

Section 3.4 PROHIBITED USES

Tenant shall not use the Leased Premises or the Common Areas, nor permit the same to be used by anyone, including but not limited to, its customers, tenants, invitees, Tenants, service personnel or employees, for storage, transportation, disposal, discharge, or handling of any hazardous substances, except for the storage, transportation, disposal, discharge, or handling of such substances reasonably necessary for the conduct of its services outlined herein. Under no circumstances shall any use be made of, or conduct occur on, the Leased Premises or Common Areas, which use would cause any portion of the Airport to violate any state, county or environmental laws. Should Tenant cause such a violation, either directly or indirectly, Tenant shall be responsible for any fines, penalties, remediation or cleanup costs.

Further, Tenant shall not abuse, misuse or cause damage beyond normal wear and use to the Common Areas. Tenant shall be financially liable for such abuse or damage to the Common Areas even though the County shall be responsible for general maintenance of the Common Areas.

Section 3.5 ASSIGNMENT

Tenant covenants that it shall not assign, transfer, convey, sell, mortgage, pledge, encumber or sublet any portion of the Leased Premises or any part thereof, or any rights of Tenant hereunder or allow the use of the Leased Premises by any other person without the prior written approval of the County, which consent may be withheld at the sole discretion of the County. County agrees and acknowledges that Tenant may associate a partner, change its corporate name or alter its corporate structure as part of its continuation of the operations

authorized herein and agrees that such change shall not constitute an assignment or sublease which requires prior approval, provided that the use of the property as an aircraft maintenance facility is continued. Tenant agrees to provide 30 days advance notice in writing of any such partnership or change in corporate structure.

ARTICLE IV. RENTAL AND FEE PAYMENTS

Section 4.1 RENT

In consideration of the rights and obligations granted by this Contract, the Tenant agrees to pay the County during the initial 12 month term of this Contract as rent the sum of Twelve Thousand Dollars in year one payable at \$1000 per month on or before the 5th day of each month. \$750 of such monthly rent shall be for the maintenance building and \$250 shall be for the leased premises shown on Figure 2. In year two, effective May 1, 2008, and thereafter rent shall be \$1500 per month. \$1000 of such monthly rent shall be for the maintenance building and \$500 shall be for the leased premises shown on Figure 2.

Section 4.2 LATE FEES

A late fee of twelve percent (12%) per annum or one percent (1%) per month shall be added to all Fee Payments due according to the schedule required above and which are rendered more than ten (10) days past the date due as set forth in this article.

ARTICLE V. COUNTY OBLIGATIONS SUBJECT TO APPROPRIATIONS

Notwithstanding any other provisions of this Contract, the County shall be obligated hereunder for any cost payment or fee contained herein only as, and to the extent that, the governing body of the County shall appropriate monies for that purpose. Such failure of the governing body to so appropriate monies shall not constitute a default hereunder or entitle Tenant to any remedies.

ARTICLE VI. UTILITIES

The Tenant shall have the right to use the utility service facilities currently located within the Leased Premises during the term of this Contract, provided that it shall be responsible for the cost of all utilities used in the aircraft maintenance hangar facility

ARTICLE VII. INSURANCE

Prior to the time Tenant is entitled to commence any part of the project, work or services under this Contract, the Tenant shall procure, pay for and maintain at its sole expense, at least the minimum insurance coverages and limits as provided for in this Article. Said insurance shall be evidenced by delivery to the County (i) certificates of insurance, executed by a financially stable insurance carrier acceptable to the County and licensed by or permitted to write insurance by the Virginia Bureau of Insurance, listing coverages and limits, expiration dates and terms of policies and all endorsements whether or not required by the County, and listing all carriers issuing or reinsuring said policies; and (ii) a certified copy of each policy, including all endorsements. The insurance requirements shall remain in effect throughout the term of this Contract. It is expressly understood that the insurance coverage provided by the Tenant is for the Leased Premises and that the County will maintain insurance coverage for the Common Areas and the remaining public use portions of the Airport.

Throughout the term of this Contract, Tenant shall meet or exceed the following insurance requirements:

- 1. General Liability to include.** Coverage shall be written on an occurrence basis. The limits of liability for sections A and B below shall not be less than one million dollars (1,000,000.00) combined single limit each occurrence and one million dollars (1,000,000.00) annual aggregate. The General Liability policy shall include:

A. Comprehensive general liability including contractual, independent Tenant, incidental medical malpractice for bodily injury, property damage, advertising injury, personal injury and fire legal liability of not less than one hundred thousand dollars (\$100,000.00) per occurrence; and

B. Completed operations and products liability coverage for all products sold including fuel, aircraft, aircraft parts, aircraft maintenance and repair and non-aviation products sold; and A premises medical payment coverage with limits not less than five thousand dollars (\$5,000.00); and

C. A premises medical payment coverage with limits not less than five thousand dollars (\$5,000.00); and

D. Hangerkeepers liability on maintenance hanger of not less than two hundred and fifty thousand dollars (\$250,000.00) for one aircraft and one million dollars (\$1,000,000.00) per each occurrence or disaster. The limits of this coverage shall be increased should the value of a single aircraft or all aircraft exceed the above amounts. In no case shall the amount of insurance be less than the actual values of the aircraft in the care or custody of the Tenant.

2. **Workers' Compensation** maintained to current statutory limits as required by law.

3. **Employers Liability** insurance of not less than one hundred thousand dollars (\$100,000.00) bodily injury by accident, one hundred thousand dollars (\$100,000.00) bodily injury by disease, each employee and five hundred thousand dollars (\$500,000.00) bodily injury by disease, policy limit.

4. **Property Insurance** coverage on an "all risks" basis covering all County owned contents in the care or custody of the provider.

5. **Aircraft Liability** coverage for rental of aircraft and instruction of students with limits of not less than one million dollars (\$1,000,000.00) per occurrence.

6. **Employee Dishonesty** coverage in the amount of twenty-five thousand dollars (\$25,000.00) against theft or conversion of goods, money and securities.

7. **Renters Insurance.**

Each insurance policy shall include the following conditions by endorsement to the policy:

A. Each policy shall require, sixty days (60) prior to its expiration, cancellation, non-renewal or any material change in coverage or limits, a notice thereof shall be sent by the insurer to the County at its address of record. The Tenant shall also notify the County in a like manner within twenty-four (24) hours after receipt of any notices of expiration, cancellation, non-renewal or material change in coverage received by the Tenant from its insurer. Nothing contained herein shall absolve the Tenant of this requirement to provide notice.

B. Companies issuing the insurance shall have no claims against the County for payment of premiums or assessments or deductibles which are the sole responsibility and risk of the Tenant.

C. For the purposes of 11.B.above, the term "County" shall include Fauquier County, the Board of Supervisors, Constitutional Officers, employees, agents and representatives of Fauquier County.

D. Fauquier County will be named as additional insured and shall appear as owners of the Airport and equipment on the following policies: (i) comprehensive general liability Airport policy, (ii) comprehensive automobile liability, (iii) aircraft liability policy, (iv) pollution liability insurance, and (v) employee dishonesty coverage. Fauquier County will be named as loss payees on the following policies: (i) mobile equipment floater, and (ii) property insurance.

All tenants and subtenants shall be required by the Tenant to comply with the requirements of this Article. All requirements of this Article shall be included in any subcontract agreements.

ARTICLE VIII. INDEMNIFICATION

1. Tenant hereby indemnifies and agrees to defend and hold harmless and shall cause its agents and subtenants to indemnify and hold harmless COUNTY, its officers, directors, agents, servants and form and against any and all liabilities, claims, demands, suits, causes of action (whether civil or criminal), judgments, damages, losses, costs, fines and expenses (including reasonable attorney fees) of any kind or nature whatsoever, which result directly from the performance or non-performance of the responsibilities, obligations, or services of the Tenant under this Contract including, but not limited, injury to or death of any person whomsoever (excluding County employees while acting in the course of their employment), damage to or destruction of any property, real or personal (including loss of or damage to Aircraft, or any third party property), unless such loss or damage arises from the gross negligence or willful misconduct of County, its officers, directors, agents, servants, employees, or its subtenants. The indemnification obligations of this Article shall survive this Contract for a period of two (2) years.

2. To the extent permitted by law, the County hereby indemnifies and agrees to hold harmless and shall cause its agenda and subtenants to indemnify and hold harmless Tenant, its officers, directors, agents, servants and employees from and against any and all liabilities, claims, demands, suits, causes of action whether civil or criminal, judgments, damages, losses, costs, fines and expenses (including reasonable attorney's fees) of any kind or nature whatsoever, which in any way arise out of the gross negligence or willful misconduct of County, its officers, directors, agents, servants, employees or its subtenants. The indemnification obligations of this

Article shall survive termination of this Contract for a period of two (2) years. County will promptly notify Tenant of any claim made or suit brought within the scope of this Article VIII.2 and Tenant and/or Tenant's insurer(s) have the right to assume and conduct the defense or to effect any settlement at their own expenses, whichever they deem proper.

3. Tenant and Country agree to give the other party all assistance reasonably requested, and to put at its disposal all pertinent records, to facilitate the prosecution or defense of any claims, suits, or investigations arising out of the performance and/or non-performance of obligations under this Contract by either party.

ARTICLE IX. RIGHTS AND REMEDIES

In addition to any other rights or remedies which the County may have at law or in equity, upon the occurrence of each default, then so long as such default continues, the County may exercise any one or more of the following rights:

1. Except as further qualified herein in Article XII, the County shall have the right to terminate this Contract by giving at least thirty (30) days written notice to the Tenant specifying the effective date of such termination, provided that Tenant's default or defaults shall not have been cured prior to the effective date of such termination set forth in said notice.

2. The County shall, to the full extent permitted by law, have the right to maintain any and all actions at law, suits in equity, or other appropriate proceedings to enforce the curing or remedying of such default.

3. In the event that performance of any of the Tenant's or County's respective obligations under this Contract other than Tenant's obligations with respect to the payment of rent, is prevented, interrupted or delayed by causes beyond its control, excepting its financial condition, including, but not limited to, strike, riot, storm, flood, act of God, or of the public enemy, act of

the government, fire, epidemic, quarantine restrictions, freight embargo, unusually severe weather, or delay of a Tenant or subtenant due to such causes, and not caused by any act or failure to act by the party thereby delayed in such performance, the date for the performance of such obligation shall become extended for a period of time equal to the number of days the performance of such obligation is so prevented, interrupted or delayed. In such case, neither the County nor the Tenant shall be liable for any cost, loss, damage, injury or liability caused, suffered or incurred by either party or by any other legal entity as the result of any such delay in performance of such obligation.

4. The respective rights and remedies of the County and the Tenant, whether provided by this lease or by law, shall be cumulative. The exercise by either Party of any one or more of such rights or remedies shall not preclude the exercise of any other right or remedy at the same or at different times for the same default or for the same failure with respect to any of the obligations under this lease, or of any of its remedies for any other default or failure by the other Party.

5. In the event that either Party to this Contract shall not take any action with respect to any failure of the other Party to observe or perform any of the terms or provisions of this Contract required to be observed or performed by such other Party, such non-action shall not be construed as a waiver of such failure of default with respect to the term or provision of this Contract not being observed or performed. It is understood and agreed that any delay by either Party to this Contract in exercising or asserting any of its rights or remedies hereunder or in instituting any actions or proceedings to assert or enforce any such rights or remedies shall not operate as a waiver of any such rights to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

ARTICLE X. NON-DISCRIMINATION

Notwithstanding any other or inconsistent provision of this Contract, during the performance of this Contract, Tenant, for itself, its heirs, personal representatives, successor in interest and assigns, as part of the consideration for this Contract, does hereby covenant and agree, as a covenant running with the land, that:

1. No person on the grounds of race, color, religion, sex, age or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in, the use of the Airport.
2. In the construction of any improvements on, over or under the Airport, and the furnishing of services therein or thereon, no person on the grounds of race, color, religion, sex, age or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.
3. Tenant shall use the Airport in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964 (49 CFR Part 21), and as said regulations may be amended.
4. In the event of breach of any of the above non-discrimination covenants, County shall have the right to terminate this Contract and to re-enter and repossess the Leased Premises and hold the same as if said Contract had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 have been followed and completed, including expiration of appeal rights.

**ARTICLE XI. REQUIREMENTS OF THE UNITED STATES AND
COMMONWEALTH OF VIRGINIA**

1. This Contract shall be subject and subordinate to the provisions of any existing or future agreement between County and the United States, or any agency thereof, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development or operation of the Airport; provided, however, that County shall, to the extent permitted by law, use its best efforts to cause any such agreements to include provisions protecting and preserving the rights of Tenant in and to the Leased Premises, and to compensation by the United States for the taking thereof, interference therewith and damage thereto, caused by such agreement, or by action of County or the United States pursuant thereto.

2. This Contract shall be subject to and subordinate to the terms and conditions of any outstanding or future Grant Agreement between the County and the Commonwealth of Virginia and any agency, department or authority thereof and shall be subordinate as well to any action taken thereunder by virtue of exercisable rights granted thereunder to the Commonwealth and any agency or authority thereof.

ARTICLE XII. DEFAULT AND TERMINATION

Section 13.1 TERMINATION BY TENANT

This Contract shall be subject to termination by Tenant in the event of any one or more of the following events:

1. The abandonment of the Airport as an airport or airfield.
2. The default by County in the performance of any of the terms, covenants or conditions of this Contract, and the failure of County to remedy, or undertake to remedy, to Tenant's satisfaction, such default for a period of thirty (30) days after receipt of written notice from Tenant to remedy the same.

3. Damage to or destruction of all or a material part of the Leased Premises or Airport facilities necessary to the operation of Tenant's services.

4. The lawful assumption by the United States, or any authorized agency thereof, of the operation, control or use of the airport, or any substantial part or parts thereof, in such a manner as to restrict substantially Tenant from conducting business operations for a period in excess of sixty (60) days.

Section 13.2 TERMINATION FOR CAUSE BY COUNTY

This Contract shall be subject to termination for cause by County in the event of any one or more of the following events:

1. If Tenant fails to fulfill any obligation or duty or meet any standard imposed by the terms of this Contract, it shall be in default. If Tenant fails to cure the default within thirty (30) days of written notice from the County that Tenant is in default, the County may, at its sole discretion, terminate this Contract. Upon termination pursuant to the provisions of this sub-paragraph, Tenant shall not be entitled to any compensation of whatever kind unless expressly agreed to in writing by the County in its sole discretion. The County may additionally terminate for the lease of the area shown on Figure 2 for cause upon 60 days written notice. Cause for the purpose of this Section shall include default of the terms herein and shall also include a professional working relationship between County Staff and Essar Aviation, LLC with the implied and expressed decorum. The County and Tenant will address the issues concerning inappropriate behavior by customers, employees, or agents through a third party mediator.

2. If Tenant files a voluntary petition in bankruptcy, including a reorganization plan, makes a general or other assignment for the benefit of creditors, is adjudicated as bankrupt or if a

receiver is appointed for the property or affairs of Tenant and such receivership is not vacated within thirty (30) days, after the appointment of such receiver.

3. If the interest of Tenant in the demised premises is sold under execution or other legal process.

4. If Tenant supplies false or misleading information or fails to make full disclosure in documents or supporting documents submitted as required under this Contract, if Tenant's credit report contains negative information, if Tenant does not have sufficient operating capital to perform its obligations herein and cannot obtain sufficient insurances or financial sureties to protect the interests of the County, or if Tenant, its principals, directors or officers are convicted of any crime.

Section 13.3 TERMINATION FOR CONVENIENCE

Tenant shall have the right, at its sole discretion, to terminate this Contract at any time and for any reason provided, however, shall give the other party ninety days (90) written notice of termination. Upon expiration of the ninety (90) day notice period, this Contract and Option for Renewal shall automatically terminate and both Parties shall be released from any and all liability and future obligations hereunder. Any Rent Payments or Fee Payments previously accrued and due shall not be waived and will continue to incur late fees, as provided in this Contract, until paid. Termination for Convenience by the Tenant does not limit any of the County's remedies to collect such past due amounts. In the event the County exercises this provision, the rent provided for herein shall be reduced by 250.00 per month.

Section 13.4 EXERCISE

Exercise of the rights of termination set forth in paragraphs 13.1 and 13.2 above, shall be by notice to the other Party within thirty (30) days following the event giving rise to the termination.

Section 13.5 REMOVAL OF PROPERTY

Upon termination of this Contract for any reason, Tenant shall quit and surrender the Leased Premises to the County in good order and condition and, at its sole expense, shall remove from the Airport all signs, trade fixtures, furnishings, personal property, equipment and materials which Tenant owns and was permitted to install or maintain under the rights granted herein. If Tenant shall fail to do so within sixty (60) days, then County may effect such removal or restoration at Tenant's expense, and Tenant agrees to pay County such expense promptly upon receipt of a proper invoice therefore.

Section 13.6 CAUSES OF BREACH; WAIVER

1. Neither Party shall be held to be in breach of this Contract because of any failure to perform any of its obligations hereunder if said failure is due to any cause for which it is not responsible and over which it has no control; provided, however, that the foregoing provision shall not apply to failures by Tenant to pay fees, rents or other charges to County.
2. The waiver of any breach, violation or default in or with respect to the performance or observance of the covenants and conditions contained herein shall not be taken to constitute a waiver of any such subsequent breach, violation or default in or with respect to the same or any other covenant or condition hereof.

Section 13.7 EMINENT DOMAIN

In the event any part or all of the Leased Premises shall be taken by any exercise of eminent domain or by any other authority of law after the execution of this Contract and before

the expiration of the term hereof and any renewals, Tenant shall retain any rights it might have to recover from the condemnor the damages, including moving expenses, to any and all real and personal property Tenant has installed, placed, or stored upon the Leased Premises for its operations, but the County shall retain the right to recover the value of the leasehold apart from the additions or improvements made by Tenant. In the event that the entire Leased Premises are so taken, this Contract shall terminate upon the effective date of taking. In the event that only part of the Leased Premises is taken, either Party may terminate this Contract upon written notice to the other, with this Contract terminating on the effective date of the taking; if neither Party exercises this option to terminate, the County shall restore the remaining Leased Premises.

Section 13.8 LACK OF AUTHORITY

In the event that by operation of law, the County shall cease to exist, or the powers of the County shall be so construed as not to permit the County to continue to use all or any part of the Airport for the purpose for which they shall have been used, then in that event, at the option of the County, this Contract and all obligations and liability of the County of whatever kind hereunder shall terminate with respect to the Airport or part thereof.

ARTICLE XIV. MISCELLANEOUS PROVISIONS

Section 14.1 OPERATION OF PREMISES

Tenant agrees to operate the Leased Premises for the use and benefit of the public. Tenant agrees to furnish good, prompt, and efficient services adequate to meet all the demands for its service at the Airport within the obligations set forth in this Contract. Further, Tenant agrees to furnish said service in such a way as to meet the standards set forth in Exhibit B Minimum FBO Standards.

Section 14.2 AFFIRMATIVE ACTION PLAN

Tenant assures that it will undertake an affirmative action program, as required by federal law as to ensure that no person shall, on the grounds of race, creed, color, age, national origin, or sex, be excluded from participating in any employment, contracting, or leasing activities covered in 14 C.F.R. Part 152, Subpart E. Tenant assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Tenant assures that it will require that its covered organizations provide assurance to the County that they similarly will undertake affirmative action programs and that they will require assurance from their sub-organization, as required by 14 CFR Part 152, Subpart E, to the same effect.

Tenant agrees to comply with any affirmative action plan or steps for equal employment opportunity required by 14 CFR, Part 152, Subpart E, as part of the affirmative action program or by any federal, state, or local agency or court, including those resulting from a conciliation agreement, a consent decree, court order, or similar mechanism. Tenant agrees that state or local affirmative action plan will be used in lieu of any affirmative action plan or steps required by 14 CFR, Part 152, Subpart E, only when they fully meet the standards set forth in 14 CFR 152.409. Tenant agrees to obtain a similar assurance from its covered organizations, and to cause them to require assurance of their covered sub-organizations, as required by 14 CFR, Part 152, Subpart E.

Section 14.3 CONTROL AND DEVELOPMENT OF THE AIRPORT

County reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of Tenant, and without interference or hindrance.

County reserves the right, but shall not be obligated to Tenant, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together

with the right to direct and control all activities of Tenant in this regard. Tenant may make any capital improvements to the Leased Premises subject to the written approval of the County. Tenant shall be responsible for obtaining and funding any building, zoning and other government permits and applications required for such capital improvements. Any and all improvements revert to the County upon the expiration of this Contract without any reimbursement due to Tenant payable by the County for said improvements.

The Board of Supervisors of Fauquier County retains ultimate responsibility for the ownership and operation of the Airport. The Board has, by this Contract, leased the fixed base operations to Tenant and the Board of Supervisors shall retain an oversight function that is to be carried out by its Airport Committee, the County Administrator and the Manager. Each is charged with considering and making recommendations to the Board of Supervisors on all proposed capital improvements, coordinating any and all proposed actions with the FAA and/or the Virginia Department of Aviation (VDoA) as appropriate, and assuring that the Airport is operated in accordance with the conditions of this Contract, the Federal Grant Agreement, the Master Plan, and other pertinent laws, rules, regulations, and development plans.

During the time of war or national emergency County shall have the right to lease the landing area or any part thereof to the United States Government for military or naval use, and if such lease is executed, the provisions of this instrument insofar as they are inconsistent with the provisions of the contract to the Government, shall be suspended.

Section 14.4 ENTIRE AGREEMENT

This Contract constitutes the entire understanding between the Parties, and as of its effective date supersedes all prior or independent agreements between the Parties covering the

subject matter hereof. Any change or modification hereof must be in writing signed by both Parties.

Section 14.5 SEVERABILITY

If a provision hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction, the entire Contract shall not be void, but the remaining provisions shall constitute in effect as nearly as possible in accordance with the original intent of the Parties.

Section 14.6 NOTICE

Any notice given by one Party to the other in connection with this Contract shall be in writing and shall be sent by registered mail, return receipt requested, with postage and registration fees prepaid:

A. If to County: **Fauquier County Airport Manager
10 Hotel Street, Suite 204
Warrenton, Virginia 20186**

B. If to Tenant: **Stephen S. Roszel
President, Essar Aviation, LLC
5930 Wilson Road
Marshall, VA 20115**

Notices shall be deemed to have been received on the date of receipt as shown on the return receipt.

Section 14.7 HEADINGS

The headings used in this Contract are intended for convenience of reference only and do not define or limit the scope or meaning of any provision of this Contract.

Section 14.8 GOVERNING LAWS

This Contract is to be construed in accordance with the laws of the Commonwealth of

Virginia.

IN WITNESS WHEREOF, the Parties have executed this Contract as of the day and year first above written.

Section 14.9 ADDITIONAL TERMS RELATED TO TERMINATION OF FBO AGREEMENT

The FBO concession agreement between the parties dated January 1, 2005 is hereby rescinded and replaced in its entirety with this agreement. The County shall be provided with the satellite dish and all lobby furniture, which shall be inventoried prior to the execution of the agreement. The County shall pay within 30 days of the execution of this lease the actual cost of the fuel inventory, and shall obtain title to the Jet A fuel tank and pay the remaining balance thereon, or in its discretion assume the obligation to pay the balance of the loan currently held by The Fauquier Bank, Loan # 4087260-3.

Essar shall be released of all obligations related to its proposal to provide a hangar space for public safety purposes, and agrees to accept the site work for T-Hangar 4. Essar further acknowledges that the effective date of the ground lease for T-Hangar 4 is April 1, 2007.

The County and Tenant further agree that neither shall make any claim related to, arising out of or pertaining to the performance, obligations, duties or any alleged failure to perform by either party with respect to the FBO agreement which is terminated and superseded by this agreement.

MAINTENANCE FACILITY LEASE AREA

**5060 AIRPORT ROAD
MIDLAND, VIRGINIA**



MAINTENANCE HANGAR

MAINTENANCE RAMP AND TIEDOWNS

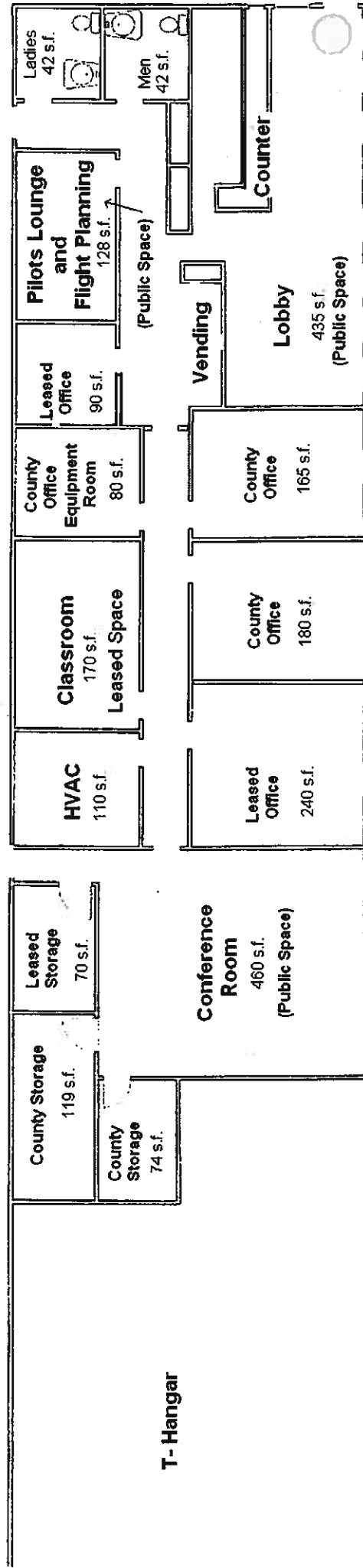
ALL-STATE LEGAL®

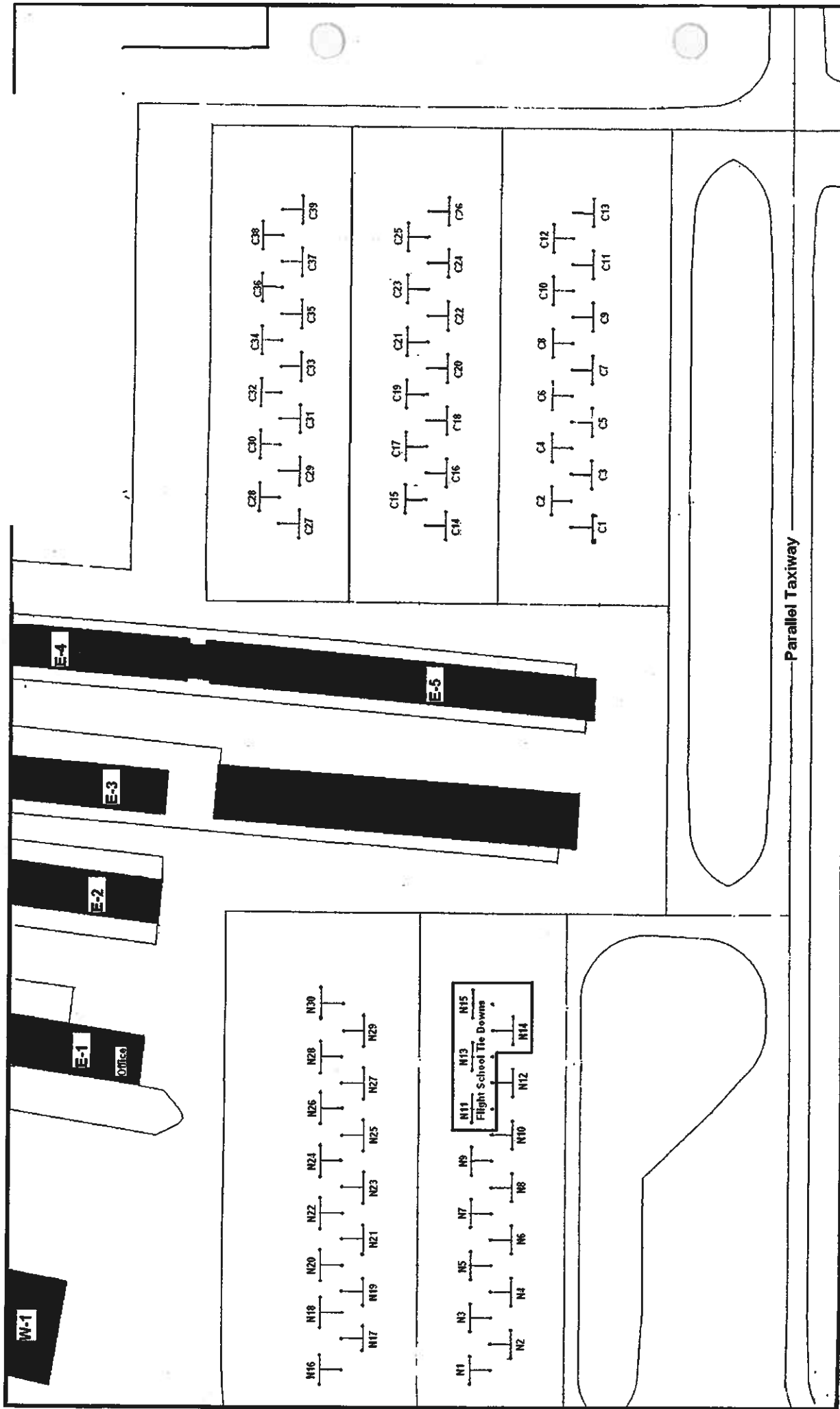
EXHIBIT

1

Figure 2.

Office Area





Virginia.

IN WITNESS WHEREOF, the Parties have executed this Contract as of the day and year first above written.

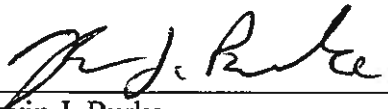
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Approved As To Form

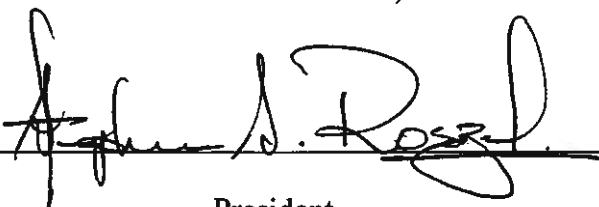


Kevin J. Burke
Fauquier County Attorney

**BOARD OF SUPERVISORS OF
FAUQUIER COUNTY**

Date: 4-30-07 by: FOR, County Administrator

ESSAR AVIATION, LLC

Date: 4/30/07 by: 

President